



General Assembly

Amendment

February Session, 2004

LCO No. 4913

SB0059804913SD0

Offered by:

SEN. SULLIVAN, 5th Dist.
SEN. LOONEY, 11th Dist.
SEN. WILLIAMS, 29th Dist.
SEN. FONFARA, 1st Dist.
SEN. COLEMAN, 2nd Dist.
SEN. LEBEAU, 3rd Dist.
SEN. HANDLEY, 4th Dist.
SEN. DEFRONZO, 6th Dist.
SEN. CIOTTO, 9th Dist.
SEN. HARP, 10th Dist.
SEN. GAFFEY, 13th Dist.

SEN. HARTLEY, 15th Dist.
SEN. MURPHY, 16th Dist.
SEN. CRISCO, 17th Dist.
SEN. PRAGUE, 19th Dist.
SEN. PETERS, 20th Dist.
SEN. FINCH, 22nd Dist.
SEN. NEWTON, 23rd Dist.
SEN. MCDONALD, 27th Dist.
SEN. COLAPIETRO, 31st Dist.
SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. 598

File No. 557

Cal. No. 412

**"AN ACT CONCERNING A PROPERTY TAX HOMESTEAD
EXEMPTION, A DIFFERENTIAL PROPERTY TAX ON VACANT
LAND AND THE PROPERTY TAX CAP AND SURCHARGE
PROGRAM."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. (NEW) (*Effective October 1, 2003, and applicable to*
4 *assessment years commencing on or after October 1, 2003*) Notwithstanding
5 the provisions of section 12-62 of the general statutes, any municipality

6 required to effect a revaluation of real property under said section 12-
7 62 for the 2003 or 2004 assessment year may effect such revaluation in
8 the 2005 assessment year provided any subsequent required
9 revaluation shall be effected in accordance with the provisions of said
10 section 12-62.

11 Sec. 2. Section 12-62d of the general statutes is repealed and the
12 following is substituted in lieu thereof (*Effective October 1, 2004, and*
13 *applicable to assessment years commencing on or after October 1, 2004*):

14 (a) Commencing October 1, 1989, any municipality which meets the
15 criteria as set forth in this subsection may, upon approval of its
16 legislative body, provide for residential property tax relief in
17 accordance with the provisions of subsection (d) of this section. Such
18 property tax relief may be allowed if the municipality has
19 implemented in that year a revaluation of all real property as required
20 in section 12-62. [and the effective tax rate for residential property, as
21 determined in accordance with the provisions of this section, is one
22 and one-half per cent or more of the market value of residential
23 property in such municipality. Effective tax rate, as used in this
24 section, means a ratio in which the numerator shall be the total tax
25 imposed on all residential real property in the year of revaluation and
26 the denominator of which shall be the present true and actual value of
27 such property in such year, as determined in accordance with section
28 12-63. Not later than three days following final action with respect to
29 the adoption of a mill rate for the year of revaluation the chief
30 executive officer shall determine the effective tax rate as provided in
31 this subsection and shall give notice of his determination to the
32 Secretary of the Office of Policy and Management. Within five business
33 days of receipt of such notice, said secretary shall issue a
34 determination as to the validity of the effective tax rate so determined.
35 If the chief executive officer is aggrieved by the finding of the
36 secretary, he may, within thirty days make application in the nature of
37 an appeal therefrom to the superior court of the judicial district in
38 which the municipality is located. Such citation shall be signed by the
39 chief executive officer, acting on behalf of the municipality, and such

40 appeal shall be returnable at the same time and in the same manner as
41 required in the case of a summons in a civil action and shall be served
42 upon the secretary. Such application shall be a preferred case, to be
43 heard, unless cause appears to the contrary, at the first session by the
44 court or by a committee appointed by the court. Within twenty days of
45 the secretary's notice confirming the validity of the effective tax rate
46 determination, or within ten days of a decision of the court upholding
47 the validity of the effective tax rate determination, the chief executive
48 officer shall submit to the legislative body his recommendation
49 concerning residential property tax relief, and the legislative body
50 shall act upon such recommendation within thirty days.] Whenever
51 used in this section, "municipality" means any town, consolidated
52 town and city or consolidated town and borough.

53 (b) In any municipality in which the legislative body provides for
54 residential property tax relief pursuant to this section, a property tax
55 surcharge of no more than the lesser of (1) fifteen per cent of the
56 property tax payable for the assessment year in which such relief is
57 granted, or (2) the portion of the total tax credit which may be
58 provided under subsection (d) of this section allocable to the
59 surcharged property, shall be charged for all real and personal
60 property subject to property tax imposed by such municipality
61 classified, for purposes of assessment, as commercial, industrial or
62 public utility, or a combination thereof, excepting (A) motor vehicles,
63 (B) multiple-dwelling structures which are more than fifty per cent
64 residential in use and which contain more than three units, and (C)
65 lodging houses, provided the surcharge shall be calculated and
66 surcharged against each individual parcel or item of property on a
67 basis which includes multiple-dwelling structures which are more
68 than fifty per cent residential in use and which contain more than three
69 units and lodging houses as surcharged property. Such property tax
70 surcharge shall be payable and collectible as other property taxes and
71 subject to the same liens and processes of collection, provided such
72 surcharge shall be due and payable not sooner than thirty days after
73 the installment of the property tax for the assessment year on which

74 residential property tax credits are applied. The amount of property
75 tax surcharge made payable in the year in which revaluation becomes
76 effective in such municipality shall remain unchanged in each of the
77 four succeeding years. Any new construction in such municipality
78 which would have been subject to the property tax surcharge payable
79 under this subsection if completed in the year in which such surcharge
80 first becomes effective shall be subject to such surcharge for the year in
81 which such structure is approved for use and in each of the succeeding
82 years in which such surcharge is applicable.

83 (c) Property which shall be eligible for tax relief under the
84 provisions of this section shall be defined as any single parcel of
85 residential property used exclusively for residential purposes,
86 including a single-family residence and a multiple-dwelling structure
87 containing not more than three units, used by the occupants as a place
88 of permanent residence.

89 (d) The amount derived from the property tax surcharge allowed
90 under subsection (b) of this section, in any municipality eligible to
91 provide residential property tax relief under the provisions of this
92 section, may be used for purposes of granting property tax credits to
93 residential property eligible for such credits under subsection (c) of
94 this section, in accordance with either of the following alternative
95 plans for such relief, as decided by the legislative body of such
96 municipality:

97 (1) A plan in which the property tax credit applicable to each
98 eligible parcel of residential property shall be determined as follows:
99 The credit for each eligible parcel of residential property shall be the
100 amount derived from the property tax surcharge as provided by
101 subsection (b) of this section, divided by the number of such parcels of
102 residential property, except that the maximum credit for each such
103 parcel shall not exceed seven hundred fifty dollars. The amount of
104 property tax credit applicable to each eligible parcel of residential
105 property in the year such plan becomes effective shall remain
106 unchanged in each of the four succeeding years of such plan.

107 (2) A plan in which the property tax credit applicable to each
108 eligible parcel of residential property shall be determined as the
109 amount by which the property tax applicable to such parcel of
110 residential property exceeds one and one-half per cent of the present
111 true and actual value of such property, as determined in accordance
112 with section 12-63, provided no such property tax credit for any
113 eligible parcel shall exceed two hundred fifty per cent of mean
114 property tax credit, as determined in accordance with this subdivision,
115 to the extent that revenue in accordance with subsection (b) of this
116 section will allow. The amount of property tax credit applicable to each
117 eligible parcel of residential property in the year such plan becomes
118 effective shall remain unchanged in each of the four succeeding years
119 of such plan.

120 (e) Any municipality which has elected to allow tax credits with
121 respect to certain residential property in accordance with subsection
122 (d) of this section [(1)] may not adopt a plan to be effective in the same
123 assessment year under section 12-62c or section 3 of this act. [and (2)
124 shall establish, for purposes of the plan of tax credits adopted, a
125 dedicated fund which shall be subject to annual budget procedures
126 and be included as part of the annual audit of such municipality.]

127 (f) Not later than thirty days preceding the date on which any
128 property tax credits allowed in accordance with this section are to be
129 applied, the assessor shall certify to the tax collector (1) a listing of all
130 properties eligible for such property tax credit, and (2) a listing of all
131 properties against which a fifteen per cent property tax surcharge is to
132 be charged. The tax collector shall cause the applicable property tax
133 credit or surcharge to be applied to the rate bill for each such parcel of
134 property. [Residential property tax credits shall be credited not earlier
135 than the second installment of the tax for the assessment year in which
136 such relief is granted, and not later than the last installment of such
137 tax.] In the event that a tax bill is paid in full prior to the application of
138 a property tax credit under the provisions of this section, the owner or
139 owners of such property shall be eligible for a refund of the amount of
140 the credit in a manner to be determined by the municipality. The

141 residential property tax relief allowed by this section shall be
142 applicable in the year in which revaluation becomes effective and in
143 each of the four succeeding assessment years.

144 [(g) (1) Any municipality electing to provide residential property tax
145 relief in accordance with this section shall conduct a management
146 study of its municipal government within one year following
147 implementation of such program. Such study shall include, but not be
148 limited to, a program review of expenditure, organization,
149 management of finances and assessment practices. The study shall
150 include input from the local business community and residential
151 property taxpayers.

152 (2) The study results shall be reported to the legislative body of the
153 municipality for consideration. The legislative body shall hold at least
154 two public hearings and shall consider the recommendations of the
155 study and public input thereon. Following such public hearings, the
156 legislative body shall develop a plan of implementation and shall file
157 such plan with the Secretary of the Office of Policy and Management
158 and with the General Assembly.

159 (3) Any municipality which fails to comply with the provisions of
160 this subsection shall be subject to the penalty provisions of subsection
161 (e) of section 12-62.]

162 Sec. 3. (NEW) (*Effective October 1, 2004, and applicable to assessment*
163 *years commencing on or after October 1, 2004*) (a) Commencing October 1,
164 2004, any municipality which meets the criteria as set forth in this
165 subsection may, upon approval of its legislative body, provide for
166 residential property tax relief in accordance with the provisions of
167 subsection (d) of this section. Such property tax relief may be allowed
168 if (1) the municipality has implemented in that year a revaluation of all
169 real property as required in section 12-62 of the general statutes, and
170 (2) the effective tax rate for residential property, as determined in
171 accordance with the provisions of this section, is one and one-half per
172 cent or more of the market value of residential property in such

173 municipality. Effective tax rate, as used in this section, means a ratio in
174 which the numerator shall be the total tax imposed on all residential
175 real property in the year of revaluation and the denominator of which
176 shall be the present true and actual value of such property in such
177 year, as determined in accordance with section 12-63 of the general
178 statutes. Not later than three days following final action with respect to
179 the adoption of a mill rate for the year of revaluation the chief
180 executive officer shall determine the effective tax rate as provided in
181 this subsection and shall give notice of his or her determination to the
182 Secretary of the Office of Policy and Management. Within five business
183 days of receipt of such notice, said secretary shall issue a
184 determination as to the validity of the effective tax rate so determined.
185 If the chief executive officer is aggrieved by the finding of the
186 secretary, he or she may, within thirty days, make application in the
187 nature of an appeal therefrom to the superior court of the judicial
188 district in which the municipality is located. Such citation shall be
189 signed by the chief executive officer, acting on behalf of the
190 municipality, and such appeal shall be returnable at the same time and
191 in the same manner as required in the case of a summons in a civil
192 action and shall be served upon the secretary. Such application shall be
193 a preferred case, to be heard, unless cause appears to the contrary, at
194 the first session by the court or by a committee appointed by the court.
195 Within twenty days of the secretary's notice confirming the validity of
196 the effective tax rate determination, or within ten days of a decision of
197 the court upholding the validity of the effective tax rate determination,
198 the chief executive officer shall submit to the legislative body his or her
199 recommendation concerning residential property tax relief, and the
200 legislative body shall act upon such recommendation within thirty
201 days. Whenever used in this section, "municipality" means any town,
202 consolidated town and city or consolidated town and borough.

203 (b) In any municipality in which the legislative body provides for
204 residential property tax relief pursuant to this section, a property tax
205 surcharge of no more than the lesser of (1) forty per cent of the
206 property tax payable for the assessment year in which such relief is

207 granted, or (2) the portion of the total tax credit which may be
208 provided under subsection (d) of this section allocable to the
209 surcharged property, shall be charged for all real and personal
210 property subject to property tax imposed by such municipality
211 classified, for purposes of assessment, as commercial, industrial or
212 public utility, or a combination thereof, excepting (A) motor vehicles,
213 (B) multiple-dwelling structures which are more than fifty per cent
214 residential in use and which contain more than three units, and (C)
215 lodging houses, provided the surcharge shall be calculated and
216 surcharged against each individual parcel or item of property on a
217 basis which includes multiple-dwelling structures which are more
218 than fifty per cent residential in use and which contain more than three
219 units and lodging houses as surcharged property. Such property tax
220 surcharge shall be payable and collectible as other property taxes and
221 subject to the same liens and processes of collection, provided such
222 surcharge shall be due and payable not sooner than thirty days after
223 the installment of the property tax for the assessment year on which
224 residential property tax credits are applied. The amount of property
225 tax surcharge made payable in the year in which revaluation becomes
226 effective in such municipality shall remain unchanged in each of the
227 four succeeding years. Any new construction in such municipality
228 which would have been subject to the property tax surcharge payable
229 under this subsection if completed in the year in which such surcharge
230 first becomes effective shall be subject to such surcharge for the year in
231 which such structure is approved for use and in each of the succeeding
232 years in which such surcharge is applicable.

233 (c) Property which shall be eligible for tax relief under the
234 provisions of this section shall be defined as any single parcel of
235 residential property used exclusively for residential purposes,
236 including a single-family residence and a multiple-dwelling structure
237 containing not more than three units, used by the occupants as a place
238 of permanent residence.

239 (d) The amount derived from the property tax surcharge allowed
240 under subsection (b) of this section, in any municipality eligible to

241 provide residential property tax relief under the provisions of this
242 section, may be used for purposes of granting property tax credits to
243 residential property eligible for such credits under subsection (c) of
244 this section, in accordance with either of the following alternative
245 plans for such relief, as decided by the legislative body of such
246 municipality:

247 (1) A plan in which the property tax credit applicable to each
248 eligible parcel of residential property shall be determined as follows:
249 The credit for each eligible parcel of residential property shall be the
250 amount derived from the property tax surcharge as provided by
251 subsection (b) of this section, divided by the number of such parcels of
252 residential property, except that the maximum credit for each such
253 parcel shall not exceed one thousand dollars. The amount of property
254 tax credit applicable to each eligible parcel of residential property in
255 the year such plan becomes effective shall remain unchanged in each
256 of the four succeeding years of such plan.

257 (2) A plan in which the property tax credit applicable to each
258 eligible parcel of residential property shall be determined as the
259 amount by which the property tax applicable to such parcel of
260 residential property exceeds one and one-half per cent of the present
261 true and actual value of such property, as determined in accordance
262 with section 12-63 of the general statutes, provided no such property
263 tax credit for any eligible parcel shall exceed two hundred fifty per
264 cent of mean property tax credit, as determined in accordance with this
265 subdivision, to the extent that revenue in accordance with subsection
266 (b) of this section will allow. The amount of property tax credit
267 applicable to each eligible parcel of residential property in the year
268 such plan becomes effective shall remain unchanged in each of the four
269 succeeding years of such plan.

270 (e) Any municipality which has elected to allow tax credits with
271 respect to certain residential property in accordance with subsection
272 (d) of this section may not adopt a plan to be effective in the same
273 assessment year under section 12-62c or 12-62d of the general statutes,

274 as amended by this act.

275 (f) Not later than thirty days preceding the date on which any
276 property tax credits allowed in accordance with this section are to be
277 applied, the assessor shall certify to the tax collector (1) a listing of all
278 properties eligible for such property tax credit, and (2) a listing of all
279 properties against which a forty per cent property tax surcharge is to
280 be charged. The tax collector shall cause the applicable property tax
281 credit or surcharge to be applied to the rate bill for each such parcel of
282 property. In the event that a tax bill is paid in full prior to the
283 application of a property tax credit under the provisions of this section,
284 the owner or owners of such property shall be eligible for a refund of
285 the amount of the credit in a manner to be determined by the
286 municipality. The residential property tax relief allowed by this section
287 shall be applicable in the year in which revaluation becomes effective
288 and in each of the four succeeding assessment years."

This act shall take effect as follows:	
Section 1	<i>October 1, 2003, and applicable to assessment years commencing on or after October 1, 2003</i>
Sec. 2	<i>October 1, 2004, and applicable to assessment years commencing on or after October 1, 2004</i>
Sec. 3	<i>October 1, 2004, and applicable to assessment years commencing on or after October 1, 2004</i>